


BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-323-C - ORDER NO. 1999-801  
NOVEMBER 15, 1999

IN RE: Application of Access Integrated Networks, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Interexchange Intrastate Telecommunications Services within the State of South Carolina and for Flexible Regulation of its Local Exchange Services and Alternative Regulation of its Long Distance Business Services Offerings.	) ORDER GRANTING APPLICATION TO PROVIDE LOCAL EXCHANGE SERVICES AND INTEREXCHANGE SERVICES AND FOR FLEXIBLE AND ALTERNATE REGULATORY TREATMENT OF SERVICES
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This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of Access Integrated Networks, Inc. ("AIN" or "the Company") for authority to operate as a provider of local exchange and interexchange telecommunications services within the State of South Carolina. AIN also requests that its local exchange telecommunications service be regulated in accordance with the principles and procedures adopted for flexible regulation by Order No. 98-165 in Docket No. 97-467-C<sup>1</sup> and that its long distance business service offerings be regulated in accordance with the principles and procedures established for alternative regulation set

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<sup>1</sup> "Flexible regulation" of local exchange services was initially approved by the Commission for NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Subsequently, the Commission has approved flexible regulation for other companies providing local exchange services. The Commission will consider AIN's request for "flexible regulation" as being a request for regulatory treatment identical to the "flexible regulation" approved for NewSouth Communications in Docket No. 97-467-C.

forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. §§ 58-9-280 and 58-9-520 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed AIN to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. AIN complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Association ("SCTA"). On September 15, 1999, counsel for SCTC filed with the Commission a Stipulation in which AIN stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer in a rural incumbent's service area, unless and until AIN provided written notice of its intent prior to the date of the intended service. AIN also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. AIN agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to AIN provided the conditions

contained in the Stipulation are met. The Stipulation is approved, incorporated as a part of this Order, and attached hereto as Order Exhibit 1.

A hearing was commenced on October 6, 1999, at 2:30 p.m., in the Commission's Hearing Room. The Honorable Philip Bradley, Chairman, presided. AIN was represented by John J. Pringle, Jr., Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Tom Wright, President of AIN, appeared and offered testimony in support of AIN's application. The record reveals that AIN is a Georgia corporation which is registered to conduct business in South Carolina as a foreign corporation with the South Carolina Secretary of State. According to Mr. Wright, AIN seeks certification to provide all services that can currently be provided by a local exchange carrier and IXC in South Carolina. Specifically, Mr. Wright stated that AIN plans to offer through resale and through its own facilities local exchange services and interexchange services, such as switched long distance, toll-free services, dedicated long distance services, interLATA and interexchange private line, analog and digital data circuits, frame relay, operator services, domestic and international calling cards, voice mail, paging services, MTS, and WATS. Mr. Wright stated that AIN currently utilizes the service of Qwest for the provision of interexchange telecommunications services and further stated that AIN will only utilize carriers properly certified by this Commission.

Mr. Wright explained that AIN possesses the technical, financial, and managerial resources and abilities to provide interexchange and local exchange telecommunications services. Mr. Wright stated that AIN has received certification to provide local exchange

and interexchange services in Georgia, Alabama, Florida, and Kentucky. Mr. Wright offered that AIN has a management team of considerable experience in management, marketing, network operations, customer service, and financial and accounting issues. Mr. Wright also offered that he personally has over 25 years of experience in the telecommunications industry. Mr. Wright testified that AIN has the financial ability to provide the services for which it seeks authority.

Mr. Wright offered that AIN's entry into the telecommunications industry in South Carolina will improve the overall quality and variety of services available in South Carolina by increasing competition and by providing business and residential customers with competitive rates and capable, responsive customer service. Mr. Wright also stated that AIN's presence in the market will motivate other companies to provide innovative services, improve quality, and lower prices.

Mr. Wright testified that the AIN would operate in accordance with the Commission rules, regulations, guidelines and Commission Orders. Mr. Wright also stated that AIN would support universally available telephone service at affordable rates and stated that the provision of local service by AIN would neither adversely impact affordable local service nor adversely affect local rates. Mr. Wright specifically stated that the services AIN will provide will meet the service standards of the Commission

By its Application, AIN requested a waiver of 26 S.C. Regs. 103-610 which requires the keeping of records within the State. Mr. Wright testified that AIN is headquartered in Macon, Georgia and thus requested that AIN be allowed to maintain its books and records at its principal headquarters.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. AIN is organized as a corporation under the laws of the State of Georgia and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.
2. AIN wishes to provide local exchange services and interexchange services within the State of South Carolina.
3. The Commission finds that AIN possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1998).
4. The Commission finds that AIN's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1998).
5. The Commission finds that AIN will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1998).
6. The Commission finds that AIN will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B)(2) (Supp. 1998).
7. The Commission finds that the provision of local exchange service by AIN "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1998).

**CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to AIN to provide competitive intrastate local exchange services within the non-rural local exchange service areas of South Carolina. The terms of the Stipulation between AIN and SCTC are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation.

Further, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to AIN to originate and terminate toll traffic within the same LATA and between LATAs, as set forth herein, through intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for or by tariffs of carriers approved by the Commission.

2. AIN shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. AIN's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for AIN's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, AIN's local exchange service tariff

filings will be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of AIN which are consistent with the principles and procedures established for alternative regulation of business services offering set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of AIN, including credit card services, operator services, and customer network offerings, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to AIN also.

With regard to the residential long distance service offerings of AIN, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for

adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

AIN shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. AIN shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1998).

4. If it has not already done so by the date of issuance of this Order, AIN shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.



5. AIN is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. AIN shall resell the services of only those interexchange carriers or LECs authorized by this Commission to do business in South Carolina. If AIN changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, AIN shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993). However, AIN shall not be required to comply with the 10-XXX intraLATA dialing requirement contained in the Commission's Orders cited above as the Commission's requirement regarding 10-XXX intraLATA dialing requirement has been preempted by the toll dialing parity rules established by the Federal Communications Commission pursuant to the Telecommunications Act of 1996. (See, 47 C.F.R. § 51.209.)

9. AIN shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Additionally, AIN shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the

filing of intrastate information. Therefore, AIN shall keep financial records on an intrastate basis to comply with the annual report and gross receipt filings.

10. As AIN proposes to provide operator services, AIN shall comply with the following conditions:

- (a) Regarding the provision of operator services, AIN shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.
- (b) For intrastate 0+ operator assisted and calling card calls originating from pay telephones outside confinement facilities and at aggregator locations, AIN may not impose operator service charges greater than the intrastate charges then currently approved for AT&T. For the usage portion of the call, AIN may not charge more for interLATA calls than the intrastate interLATA rates charged by AT&T Communications for interLATA calls or for intraLATA calls than the intraLATA rates charged by BellSouth Telecommunications for intraLATA calls.
- (c) AIN is allowed to incorporate in its tariff a surcharge (property imposed fee) on operator-assisted and calling card calls not to exceed \$1.00 for calls originating from payphone (excluding pay telephones associated with inmate calling service) and from aggregator locations, only if the property owner has not added a surcharge already. That is, AIN may not impose an additional surcharge to calls originating from pay telephones and from aggregator locations if a property owner has already imposed such a surcharge. If such a

surcharge is applied by AIN on behalf of the property owner, AIN is directed to pay the surcharge in its entirety to the property owner. Further, if the surcharge is applied, the end user should be notified of the imposition of the surcharge. This notification should be included in the information pieces identifying AIN as the operator service provider at that location.

- (d) AIN is required to provide information pieces to pay telephone service providers or property owners identifying AIN as the provider of the operator service for authorized calls originating from the location. AIN is required to brand all calls identifying itself as the carrier. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

11. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

AIN shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the

representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

12. AIN shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

13. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

14. By its Application, AIN requested a waiver from the Commission requirement of maintaining its books and records in the State as required by 26 S.C. Regs. 103-610. The Commission finds the reasoning behind AIN's request for waiver reasonable and hereby grants the waiver of the 26 S.C. Regs. 103-610. However, AIN shall make its books and records available to the Commission and/or the Commission Staff as required by the Commission.

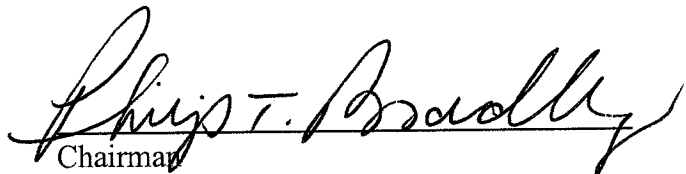
15. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs AIN to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an

information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board.


By this Order and prior to providing services within South Carolina, AIN shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S**

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COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

---

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

---

TITLE

DOCKET NO. 1999-323-C - ORDER NO. 1999-801  
NOVEMBER 15, 1999  
ATTACHMENT B

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**INFORMATION OF THE AUTHORIZED UTILITY  
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL  
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission  
the name, title, address, and telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

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Company Name/DBA Name

---

Business Address

---

City, State, Zip Code

---

Authorized Utility Representative (Please Print or Type)

---

Telephone Number

Fax Number

---

E-Mail Address

---

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-896-5230

THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 1999-323-C

Re:	Application of Access Integrated Networks, Inc.	)	
	for a Certificate of Public Convenience and	)	
	Necessity to Provide Resold Local Exchange and	)	<b>STIPULATION</b>
	Interexchange Telecommunications Services in	)	
	the State of South Carolina	)	
	_____	)	

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Access Integrated Networks, Inc. ("AINI") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to AINI's Application. SCTC and AINI stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to AINI, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. AINI stipulates and agrees that any Certificate which may be granted will authorize AINI to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.



3. AINI stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. AINI stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until AINI provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, AINI acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. AINI stipulates and agrees that if, after AINI gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then AINI will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. AINI acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service

which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

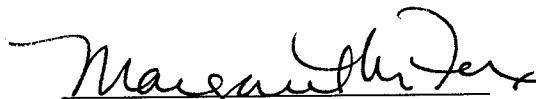
8. AINI agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. AINI hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 15<sup>th</sup> day of Sept., 1999.

Access Integrated Networks, Inc.

South Carolina Telephone Coalition:



M. John Bowen, Jr.  
Margaret M. Fox  
McNair Law Firm, P.A.  
Post Office Box 11390  
(803) 799-9800

Attorneys for the South Carolina  
Telephone Coalition

ATTACHMENT A  
South Carolina Telephone Coalition Member Companies  
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Bluffton Telephone Company, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Hargray Telephone Company, Inc.  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company